SUBJECT No. 36

Appointment of Bonded Depot Mutsaddis by Government.

Messrs. B Dasappa and P. Achaiya, Kolar Municipality.

Mr. Dasappa.—At present, these appointments are made by the carrying contractor and this arrangement is not working satisfactorily and is causing great hardship to the people. It is therefore prayed that Bonded Depot Mustaddies may hereafter be appointed by Government.

Dewan.—Will be enquired into and considered.

REVENUE—(INCOMETAX.)

(Nos. 37 to 41)

SUBJECT No. 37

Removal of inconveniences in the working of the Income-tax Regulation.

Messrs. Ananthalakshminaranappa, Anantharjappa and Veerappa Gowda, TumkurTaluk; G. Murigappa and G. S. Murigappa, Gubbi Taluk.

Mr. Anantha Lakshminarnappa.—Income-tax payable for two or three years is assessed at a time and recovered by adopting coercive measures without proper enquiry into the merits of the case. Provision is made for an appeal to the immediate officer concerned, that is the Sub-Divisional Officer, but that officer throws it out on the ground that everything is done after proper enquiry and consideration of the case. It so happens that if a petition is sent by registered post to the Deputy Commissioner, against the decision of the Sub-Division Officer, the Deputy Commissioner will be either on tour or on leave. The Sub-Division Officer will be in charge of his duties and who, knowing full well the previous history of the case will immediately confirm the original decision. To avoid these hardships, it is suggested that Inspectors and other income-tax officers should be ordered to go and enquire in the localities concerned and in neighbouring areas from the village subordinates, patels shanbhogs, etc., and obtain exact information as to the accuracy or otherwise of the transactions before the tax is levied. The tax is payable in two instalments and the time for preferring an appeal is short. This works as a great harpship especially in the rural parts where there are no postal facilities. The agricultural classes in the villages are illiterate and gumastas are not easily available. As it will take time to complete all the formalities, it is prayed that the time fixed for preferring appeals might be extended at least to three months.

Second Member of Council.—The present rules require the income-tax officers to make proper enquiry before levying the tax.

Dewan.—The rules require them to do it and establishment is given for this purpose. I have personally conducted inspections on the spot. The facts of the case are not as stated by the member.

Mr. Ananthalakshminaranappa.—A uniform rate is being levied every year.

Second Member of Council.—That is only provisional.

Mr. Ananthalakshminaranappa.—I can bring several instances to the notice of the Government.

Dewan.—It is not possible to effect any change in the rules. If there are any individual cases of hardships, representations may be made to the Deputy Commissioner.

Mr. Karnick Krishnamurthi Rao.—Government do not get much income from individual assessees. Much difficulty is experienced by ordinary individuals in maintaining accounts. Instead of levying income-tax on

individuals, the alternative of imposing a new fixed levy on individuals may be considered, as this will avoid all difficulties now complained of.

Dewan.—This is a difficult matter. What is required is that in the administration of the tax, measures should be taken to avoid hardship and inconvenience to assessees. This is noted.

SUBJECT No. 38

Levy of income-tax in accordance with the accounts maintained by merchants.

Mr. Singri Nanjappa, Tiptur Municipality.

Mr. Singri Nanjappa.—Income-tax should be levied on the basis of accounts maintained by merchants. At present, it has been the practice for the Department to declare that the accounts of merchants are not maintained in proper form and to levy tax on the turn over or percentage of profit fixed by the departmental officers themselves. This practice must be discontinued. The clerks that are now sent for checking accounts are not conversant with the rules and regulations of the Income-tax Department. Whatever they say is accepted by the authorities. This is very hard and it is requested that income-tax should be levied on the basis of accounts maintained by the merchants.

Dewan.—Clerks are now being trained for this purpose. If there is any complaint, there are the higher officers to consider it.

Another Member.—Income-tax officers admit our accounts in respect of items in the receipts side but do not trust the entries in the expenditure side of the accounts and want vouchers in support of them. Government should accept our accounts which should be considered as vouchers. We do not maintain separate vouchers for transactions carried out.

Dewan.—Do the Deputy Commissioners receive any complaints like that?

Deputy Commissioner, Kolar District.—I have several times called for the records and verified the accounts in my district.

Deputy Commissioner, Tumkur District.—Extension of time was several times granted for the production of the accounts in my district, but they failed to comply with the request.

Mr. Linge Gowda.—At the time of the enquiry, a confidential report is made. This should be avoided and instead, an open enquiry should be made.

First Member of Council.—Assessment is not made on the confidential report. Needful instructions have been issued in the matter.

Mr. K. Venkatasamaiah.—Government should change the present system of checking the accounts. It is true that Government have sent trained clerks for auditing the accounts, but it is very difficult to satisfy them. The civil courts accept our accounts and I do not know why the income-tax officers should not do so. Rules require modification and Government should order their officers to audit the accounts of merchants in their business places. It is desirable that a rule should be made also authorising the income-tax officers to accept those accounts which have been audited and certified as correct by certified accountants and auditors.

Second Member of Council.—There is a rule of this kind and the authorities accept the accounts provided they have no doubts as to their accuracy.